Foreign Agricultural Service
*GAIN* Report
Global Agriculture Information Network

Required Report - public distribution

Date: 4/25/2000

GAIN Report #JA0050

# Japan

# Oilseeds and Products

# Annual

# 2000

Approved by:
**Sarah D. Hanson**
**U.S. Embassy**
Prepared by:
Shigeru Nozaki

---

**Report Highlights:**

Japan's imports of U.S. soybeans are forecast to decline in MY 1999/2000 due to quality problems with the 1999 crop. Total imports of rapeseed are expected to increase slightly in MY 1999/2000 to compensate for soybean loses. Reflecting an increasing demand for non-GMO soybeans, non-GMO soybean imports from Brazil and Canada are likely to expand in coming years. Total meal imports are forecast to decline in MY 1999/2000 due to a stagnant demand for compound feed and an increase in meat imports. Demand for oil products is expected to remain flat due to consumers' cautious purchasing behavior as a result of the weak economy.

---

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Tokyo [JA1], JA

# Table of Contents


EXECUTIVE SUMMARY ..... Page 1 of 28

SECTION I. SITUATION AND OUTLOOK ..... Page 1 of 28
Oilseeds Situation and Outlook ..... Page 1 of 28
Oilmeal Situation and Outlook ..... Page 2 of 28
Oil Situation and Outlook ..... Page 2 of 28

SECTION II. STATISTICAL TABLES ..... Page 2 of 28
Soybean PS&D Table ..... Page 2 of 28
Soybean Meal PS&D Table ..... Page 3 of 28
Soybean Oil PS&D Table ..... Page 4 of 28
Import Trade Matrix for Soybean ..... Page 5 of 28
Import Trade Matrix for Soybean Meal ..... Page 5 of 28
Rapeseed PS&D Table ..... Page 6 of 28
Rapeseed Meal PS&D Table ..... Page 6 of 28
Rapeseed Oil PS&D Table ..... Page 7 of 28
Import Trade Matrix for Rapeseed ..... Page 8 of 28
Import Trade Matrix for Rapeseed Meal ..... Page 8 of 28
Cottonseed PS&D Table ..... Page 9 of 28
Cottonseed Oil PS&D Table ..... Page 10 of 28
Trade Matrix for Cottonseed ..... Page 10 of 28
Peanut PS&D Table ..... Page 11 of 28
Import Trade Matrix for Peanut ..... Page 12 of 28
Palm Oil PS&D Table ..... Page 12 of 28
Import Trade Matrix for Palm Oil ..... Page 13 of 28
Fish Meal PS&D Table ..... Page 13 of 28
Fish Oil PS&D Table ..... Page 14 of 28
Trade Matrix for Fish Meal ..... Page 15 of 28
Trade Matrix for Fish Oil ..... Page 15 of 28

SECTION III. NARRATIVE ON SUPPLY AND DEMAND, POLICY & MARKETING
..... Page 16 of 28
TOTAL OILSEEDS ..... Page 16 of 28
Production ..... Page 16 of 28
Consumption ..... Page 16 of 28
Crushing Capacity ..... Page 17 of 28
Trade ..... Page 17 of 28
Price ..... Page 20 of 28
Policy ..... Page 21 of 28
Biotechnology ..... Page 22 of 28
Marketing ..... Page 22 of 28
TOTAL OIL MEALS ..... Page 22 of 28
Production ..... Page 22 of 28
Consumption ..... Page 23 of 28
Trade ..... Page 23 of 28
Price ..... Page 24 of 28
Policy ..... Page 25 of 28
TOTAL OILS ..... Page 25 of 28
Production ..... Page 25 of 28
Consumption ..... Page 26 of 28
Trade ..... Page 26 of 28
Policy ..... Page 27 of 28

## EXECUTIVE SUMMARY

Japan's imports of U.S. soybeans are forecast to decline in MY 1999/2000 due to quality problems with the 1999 crop. Total imports of rapeseed are expected to increase slightly in MY 1999/2000 to compensate for soybean loses. Reflecting an increasing demand for non-GMO soybeans, non-GMO soybean imports from Brazil and Canada are likely to expand in coming years. Total meal imports are forecast to decline in MY 1999/2000 due to a stagnant demand for compound feed and an increase in meat imports. Demand for oil products is expected to remain flat due to consumers' cautious purchasing behavior as a result of the weak economy.


## SECTION I. SITUATION AND OUTLOOK

### Oilseeds Situation and Outlook

Japan's annual demand for soybeans is about 4.7 - 4.8 million metric tons. Domestic production of soybeans is very small, only 187,200 metric tons in 1999. As a result Japan largely depends on imports. In CY 1999, Japan imported 4.9 million metric tons of soybeans. Of the total, imports from the U.S. reached 3.9 million metric tons (79 percent market share), or nearly 1 billion U.S. dollars in value terms. In order to meet Japan's increasing demand for non-GMO food soybeans, both Brazil and Canada have gradually increased their soybean exports. For example, Brazil's share in volume increased from 11 percent in CY 1998 to 12 percent in CY 1999. Canada's share increased from 2 percent in CY 1998 to 3 percent in CY 1999.

Annual demand for rapeseed is about 2 million metric tons. Production of rapeseed in Japan is almost nil and like soybeans, Japan depends almost exclusively on imports. In CY 1999, Japan imported 2 million metric tons of rapeseed with Canada capturing 85 percent market share. The U.S. share was only 0.4 percent the same year.

Annual demand for peanuts is about 120,000 metric tons and annual domestic production of peanuts is about 25,000 - 30,000 metric tons. Total imports of raw peanuts and processed peanuts in CY 1999 reached 99,575 metric tons. China is the largest supplier of peanuts to Japan occupying 62 percent share for raw peanuts and almost 100 percent share for processed peanuts.

Annual demand for cotton seed is about 170,000 metric tons. Cottonseed is not produced in Japan. Total imports of cottonseed in CY 1999 were 171,870 metric tons. Australia continues to dominate the Japanese cottonseed market with 98 percent market share. Imports from the U.S. increased about 84 percent in CY 1999 compared to the previous year but the total volume was only 2,060 metric tons, representing 1.2 percent market share.

Due to prolonged weak economic activities in Japan, total oilseed imports are expected to decline slightly through Marketing Year (MY) 2000-2001 (October 2000 - September 2001).

### Oilmeal Situation and Outlook

Soybean and rapeseed meals are the primary protein ingredients used in compound feed production in Japan. About 90 percent of soybean meal is used for feed production, and the remainder is used for food use such as soybean curd. Rapeseed fish meals are used exclusively for feed and fertilizer production. Total meal production is estimated to continue its downward trend due to the expected downturn in demand for feed. In CY 1999, imports of soybean and rapeseed meals declined nearly 0.12 percent and 74 percent, respectively. However, fish meal increased 5 percent to compensate for the previous year's decline of 25 percent.

Because of weak demand for compound feed in Japan along with an increase in meat imports, total meal imports are also expected to remain stagnant through MY 2000/2001.

**Oil Situation and Outlook**

Two primary edible oils in Japan are soybean oil and rapeseed oil which are mainly consumed as blended oil. Imports of soybean oil are very small as Japan produces most oil by crushing whole soybeans. Thus, total imports of soybean oil for CY 1999 were only 3,831 metric tons. The U.S. was the largest supplier of soybean oil with 80 percent market share. Similarly, rapeseed oil imports to Japan were relatively small at 2,634 metric tons with Canada securing 73 percent market share. Rapeseed oil imports from the United States increased almost five times in CY 1999 from the previous year to reach 647 metric tons. Total imports of refined palm oil, used for the production of margarine, shortening, instant noodles and snacks, reached 364,607 metric tons in CY 1999. Malaysia dominated the palm oil market with 96 percent market share.

Both cottonseed oil and sunflower oil are used for salad oil production. In CY 1999, Japan imported 11,887 metric tons of cottonseed oil. Of the total, Australia's share was 78 percent and U.S. share was 22 percent. Imports of sunflower oil were 8,682 metric tons in CY 1999. The U.S. was the largest supplier of sunflower oil to Japan with 76 percent market share followed by Italy with 9 percent share.

Total imports of fish oil dropped 6 percent in CY 1999 from the previous year to 26,427 metric tons. Peru showed a 127 percent increase in CY 1999 to reach 6,196 metric tons after showing a drastic drop (minus 95 percent) in CY 1998. On the other hand, imports from the U.S. dropped 28 percent to reach 12,934 metric tons.

As demand for processed oil products is likely to remain weak the next few years, total oil imports are forecast to stay flat through MY 2000/2001.

## SECTION II. STATISTICAL TABLES

**Soybean PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|

| Country | Japan | | | | | |
|---|---|---|---|---|---|---|
| Commodity | Oilseed, Soybean | | | | (1000 HA)(1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 110 | 109 | 110 | 108 | 0 | 110 |
| Area Harvested | 109 | 109 | 110 | 108 | 0 | 110 |
| Beginning Stocks | 633 | 633 | 506 | 618 | 451 | 600 |
| Production | 158 | 158 | 170 | 187 | 0 | 190 |
| MY Imports | 4650 | 4807 | 4700 | 4750 | 0 | 4700 |
| MY Imp. from U.S. | 3737 | 3842 | 3650 | 3780 | 0 | 3700 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 5441 | 5598 | 5376 | 5555 | 451 | 5490 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 3680 | 3700 | 3620 | 3680 | 0 | 3670 |
| Food Use Dom. Consump. | 950 | 970 | 980 | 965 | 0 | 960 |
| Feed,Seed,Waste Dm.Cn. | 305 | 310 | 325 | 310 | 0 | 300 |
| TOTAL Dom. Consumption | 4935 | 4980 | 4925 | 4955 | 0 | 4930 |
| Ending Stocks | 506 | 618 | 451 | 600 | 0 | 560 |
| TOTAL DISTRIBUTION | 5441 | 5598 | 5376 | 5555 | 0 | 5490 |
| Calendar Year Imports | 4751 | 4751 | 4700 | 4750 | 0 | 4700 |
| Calendar Yr Imp. U.S. | 3735 | 3735 | 3650 | 3750 | 0 | 3700 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Soybean Meal PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Meal, Soybean | | | | (1000 MT)(PERCENT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 3680 | 3700 | 3620 | 3680 | 0 | 3670 |
| Extr. Rate, 999.9999 | 0.769837 | 0.756757 | 0.773481 | 0.733696 | ERR | 0.735695 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Beginning Stocks | 273 | 273 | 400 | 456 | 300 | 546 |
| Production | 2833 | 2800 | 2800 | 2700 | 0 | 2700 |
| MY Imports | 975 | 963 | 800 | 960 | 0 | 950 |
| MY Imp. from U.S. | 263 | 175 | 270 | 180 | 0 | 170 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 4081 | 4036 | 4000 | 4116 | 300 | 4196 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 280 | 300 | 270 | 300 | 0 | 300 |
| Food Use Dom. Consump. | 50 | 60 | 45 | 60 | 0 | 60 |
| Feed Waste Dom. Consum | 3351 | 3220 | 3385 | 3210 | 0 | 3200 |
| TOTAL Dom. Consumption | 3681 | 3580 | 3700 | 3570 | 0 | 3560 |
| Ending Stocks | 400 | 456 | 300 | 546 | 0 | 636 |
| TOTAL DISTRIBUTION | 4081 | 4036 | 4000 | 4116 | 0 | 4196 |
| Calendar Year Imports | 874 | 874 | 830 | 870 | 0 | 860 |
| Calendar Yr Imp. U.S. | 202 | 202 | 180 | 200 | 0 | 190 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Soybean Oil PS&D Table**

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Japan | | | | | |
| Commodity | Oil, Soybean | | | | (1000 MT)(PERCENT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 3680 | 3700 | 3620 | 3680 | 0 | 3670 |
| Extr. Rate, 999.9999 | 0.179891 | 0.18027 | 0.175414 | 0.179348 | ERR | 0.177112 |
| Beginning Stocks | 71 | 71 | 64 | 67 | 50 | 62 |
| Production | 662 | 667 | 635 | 660 | 0 | 650 |
| MY Imports | 12 | 4 | 2 | 4 | 0 | 3 |
| MY Imp. from U.S. | 10 | 3 | 2 | 3 | 0 | 2 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 745 | 742 | 701 | 731 | 50 | 715 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 27 | 25 | 25 | 24 | 0 | 25 |
| Food Use Dom. Consump. | 654 | 650 | 626 | 645 | 0 | 640 |
| Feed Waste Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Dom. Consumption | 681 | 675 | 651 | 669 | 0 | 665 |
| Ending Stocks | 64 | 67 | 50 | 62 | 0 | 50 |
| TOTAL DISTRIBUTION | 745 | 742 | 701 | 731 | 0 | 715 |
| Calendar Year Imports | 2 | 1 | 2 | 4 | 0 | 3 |
| Calendar Yr Imp. U.S. | 1 | 0 | 0 | 3 | 0 | 1 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Import Trade Matrix for Soybean**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Oilseed, Soybean | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 3842 | U.S. | 3780 |
| Others | | Others | |
| Brazil | 536 | | 540 |
| Canada | 138 | | 140 |
| China | 137 | | 140 |
| Paraguay | 117 | | 90 |
| Total for Others | 928 | | 910 |
| Others not Listed | 37 | | 60 |
| Grand Total | 4807 | | 4750 |

**Import Trade Matrix for Soybean Meal**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Meal, Soybean | | |
| Time period | Oct/Sep | Units: | 1000 MT |

| Imports for: | 1998 | | 1999 |
|---|---|---|---|
| U.S. | 175 | U.S. | 180 |
| Others | | Others | |
| Brazil | 431 | | 430 |
| India | 352 | | 345 |
| Argentina | 0 | | 1 |
| Total for Others | 783 | | 776 |
| Others not Listed | 5 | | 4 |
| Grand Total | 963 | | 960 |

**Rapeseed PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Oilseed, Rapeseed | | | | (1000 HA)(1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 1 | 1 | 1 | 1 | 0 | 1 |
| Area Harvested | 1 | 1 | 1 | 1 | 0 | 1 |
| Beginning Stocks | 293 | 293 | 261 | 260 | 312 | 236 |
| Production | 1 | 1 | 1 | 1 | 0 | 1 |
| MY Imports | 2100 | 2174 | 2300 | 2200 | 0 | 2100 |
| MY Imp. from U.S. | 20 | 15 | 16 | 10 | 0 | 8 |
| MY Imp. from the EC | 35 | 40 | 30 | 30 | 0 | 30 |
| TOTAL SUPPLY | 2394 | 2468 | 2562 | 2461 | 312 | 2337 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 2125 | 2200 | 2250 | 2220 | 0 | 2100 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed,Seed,Waste Dm.Cn. | 8 | 8 | 0 | 5 | 0 | 5 |
| TOTAL Dom. Consumption | 2133 | 2208 | 2250 | 2225 | 0 | 2105 |
| Ending Stocks | 261 | 260 | 312 | 236 | 0 | 232 |
| TOTAL DISTRIBUTION | 2394 | 2468 | 2562 | 2461 | 0 | 2337 |
| Calendar Year Imports | 2150 | 2078 | 2200 | 2202 | 0 | 2100 |
| Calendar Yr Imp. U.S. | 15 | 19 | 0 | 9 | 0 | 10 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Rapeseed Meal PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Meal, Rapeseed | | | | (1000 MT)(PERCENT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 2125 | 2200 | 2250 | 2220 | 0 | 2100 |
| Extr. Rate, 999.9999 | 0.574118 | 0.55 | 0.570222 | 0.540541 | ERR | 0.561905 |
| Beginning Stocks | 57 | 57 | 67 | 41 | 87 | 36 |
| Production | 1220 | 1210 | 1283 | 1200 | 0 | 1180 |
| MY Imports | 120 | 54 | 175 | 70 | 0 | 100 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 1397 | 1321 | 1525 | 1311 | 87 | 1316 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 468 | 430 | 509 | 430 | 0 | 425 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Consum | 862 | 850 | 929 | 845 | 0 | 840 |
| TOTAL Dom. Consumption | 1330 | 1280 | 1438 | 1275 | 0 | 1265 |
| Ending Stocks | 67 | 41 | 87 | 36 | 0 | 51 |
| TOTAL DISTRIBUTION | 1397 | 1321 | 1525 | 1311 | 0 | 1316 |
| Calendar Year Imports | 120 | 124 | 150 | 32 | 0 | 80 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Rapeseed Oil PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Oil, Rapeseed | | | | (1000 MT)(PERCENT) | |

| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
|---|---|---|---|---|---|---|
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 2125 | 2200 | 2250 | 2220 | 0 | 2100 |
| Extr. Rate, 999.9999 | 0.4 | 0.409091 | 0.4 | 0.400901 | ERR | 0.419048 |
| Beginning Stocks | 71 | 71 | 100 | 63 | 119 | 61 |
| Production | 850 | 900 | 900 | 890 | 0 | 880 |
| MY Imports | 4 | 2 | 4 | 3 | 0 | 4 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 925 | 973 | 1004 | 956 | 119 | 945 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 40 | 50 | 50 | 45 | 0 | 45 |
| Food Use Dom. Consump. | 785 | 860 | 835 | 850 | 0 | 840 |
| Feed Waste Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Dom. Consumption | 825 | 910 | 885 | 895 | 0 | 885 |
| Ending Stocks | 100 | 63 | 119 | 61 | 0 | 60 |
| TOTAL DISTRIBUTION | 925 | 973 | 1004 | 956 | 0 | 945 |
| Calendar Year Imports | 4 | 4 | 4 | 3 | 0 | 3 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Import Trade Matrix for Rapeseed**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Oilseed, Rapeseed | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 15 | U.S. | 10 |
| Others | | Others | |
| Canada | 1826 | | 1750 |
| Australia | 278 | | 280 |
| Total for Others | 2104 | | 2030 |

| | | | |
|---|---|---|---|
| Others not Listed | 55 | | 60 |
| Grand Total | 2174 | | 2100 |

**Import Trade Matrix for Rapeseed Meal**

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Japan | | |
| Commodity | Meal, Rapeseed | | |
| Time period | Jan/Oct | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Canada | 23 | | 40 |
| India | 16 | | 15 |
| China | 15 | | 15 |
| Total for Others | 54 | | 70 |
| Others not Listed | 0 | | 0 |
| Grand Total | 54 | | 70 |

**Cottonseed PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Oilseed, Cottonseed | | | | (1000 HA)(1000 MT)(RATIO) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted (COTTON) | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested(COTTON) | 0 | 0 | 0 | 0 | 0 | 0 |
| Seed to Lint Ratio | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks | 11 | 11 | 15 | 15 | 15 | 18 |
| Production | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imports | 190 | 179 | 210 | 175 | 0 | 174 |
| MY Imp. from U.S. | 8 | 2 | 0 | 1 | 0 | 1 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| TOTAL SUPPLY | 201 | 190 | 225 | 190 | 15 | 192 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 37 | 35 | 37 | 34 | 0 | 33 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed,Seed,Waste Dm.Cm. | 149 | 140 | 173 | 138 | 0 | 136 |
| TOTAL Dom. Consumption | 186 | 175 | 210 | 172 | 0 | 169 |
| Ending Stocks | 15 | 15 | 15 | 18 | 0 | 23 |
| TOTAL DISTRIBUTION | 201 | 190 | 225 | 190 | 0 | 192 |
| Calendar Year Imports | 186 | 186 | 175 | 172 | 0 | 175 |
| Calendar Yr Imp. U.S. | 1 | 1 | 2 | 2 | 0 | 1 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Cottonseed Oil PS&D Table**

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Japan | | | | | |
| Commodity | Oil, Cottonseed | | | | (1000 MT)(PERCENT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 37 | 35 | 37 | 34 | 0 | 33 |
| Extr. Rate, 999.9999 | 0.162162 | 0.171429 | 0.162162 | 0.176471 | ERR | 0.181818 |
| Beginning Stocks | 1 | 2 | 1 | 2 | 1 | 2 |
| Production | 6 | 6 | 6 | 6 | 0 | 6 |
| MY Imports | 12 | 12 | 10 | 11 | 0 | 11 |
| MY Imp. from U.S. | 8 | 8 | 6 | 7 | 0 | 6 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 19 | 20 | 17 | 19 | 1 | 19 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 18 | 18 | 16 | 17 | 0 | 17 |
| Feed Waste Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Dom. Consumption | 18 | 18 | 16 | 17 | 0 | 17 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Ending Stocks | 1 | 2 | 1 | 2 | 0 | 2 |
| TOTAL DISTRIBUTION | 19 | 20 | 17 | 19 | 0 | 19 |
| Calendar Year Imports | 0 | 12 | 12 | 12 | 0 | 11 |
| Calendar Yr Imp. U.S. | 0 | 8 | 7 | 5 | 0 | 6 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Trade Matrix for Cottonseed**

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Japan | | |
| Commodity | Oilseed, Cottonseed | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 2 | U.S. | 1 |
| Others | | Others | |
| Australia | 175 | | 172 |
| Total for Others | 175 | | 172 |
| Others not Listed | 2 | | 2 |
| Grand Total | 179 | | 175 |

**Peanut PS&D Table**

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Japan | | | | | |
| Commodity | Oilseed, Peanut | | | | (1000 HA)(1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 12 | 12 | 12 | 11 | 0 | 12 |
| Area Harvested | 12 | 12 | 12 | 11 | 0 | 12 |
| Beginning Stocks | 12 | 18 | 15 | 18 | 20 | 19 |
| Production | 25 | 25 | 30 | 26 | 0 | 27 |
| MY Imports | 110 | 99 | 115 | 100 | 0 | 100 |
| My Imp. from U.S. | 5 | 6 | 3 | 6 | 0 | 6 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| TOTAL SUPPLY | 147 | 142 | 160 | 144 | 20 | 146 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 2 | 2 | 2 | 2 | 0 | 2 |
| Food Use Dom. Consump. | 125 | 116 | 130 | 118 | 0 | 118 |
| Feed,Seed,Waste Dm.Cn. | 5 | 6 | 8 | 5 | 0 | 5 |
| TOTAL Dom. Consumption | 132 | 124 | 140 | 125 | 0 | 125 |
| Ending Stocks | 15 | 18 | 20 | 19 | 0 | 21 |
| TOTAL DISTRIBUTION | 147 | 142 | 160 | 144 | 0 | 146 |
| Calendar Year Imports | 110 | 93 | 115 | 100 | 0 | 100 |
| Calendar Yr Imp. U.S. | 3 | 5 | 3 | 6 | 0 | 5 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Import Trade Matrix for Peanut**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Oilseed, Peanut | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 6 | U.S. | 6 |
| Others | | Others | |
| China | 82 | | 83 |
| South Africa | 8 | | 8 |
| Total for Others | 90 | | 91 |
| Others not Listed | 3 | | 3 |
| Grand Total | 99 | | 100 |

**Palm Oil PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Oil, Palm | | | | (1000 HA)(1000 TREES)(1000 MT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |

| | Old | New | Old | New | Old | New |
|---|---|---|---|---|---|---|
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested | 0 | 0 | 0 | 0 | 0 | 0 |
| Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks | 23 | 23 | 18 | 23 | 18 | 26 |
| Production | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imports | 360 | 358 | 370 | 365 | 0 | 363 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 383 | 381 | 388 | 388 | 18 | 389 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 50 | 48 | 50 | 47 | 0 | 46 |
| Food Use Dom. Consump. | 315 | 310 | 320 | 315 | 0 | 316 |
| Feed Waste Consumption | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Dom. Consumption | 365 | 358 | 370 | 362 | 0 | 362 |
| Ending Stocks | 18 | 23 | 18 | 26 | 0 | 27 |
| TOTAL DISTRIBUTION | 383 | 381 | 388 | 388 | 0 | 389 |
| Calendar Year Imports | 370 | 357 | 365 | 365 | 0 | 360 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Import Trade Matrix for Palm Oil**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Oil, Palm | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Malaysia | 344 | | 351 |
| Singapore | 4 | | 4 |
| Indonesia | 9 | | 9 |
| Total for Others | 357 | | 364 |

| | | | |
|---|---|---|---|
| Others not Listed | 1 | | 1 |
| Grand Total | 358 | | 365 |

**Fish Meal PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |
| Commodity | Meal, Fish | | | | (1000 MT)(PERCENT) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Catch For Reduction | 480 | 450 | 470 | 440 | 0 | 430 |
| Extr. Rate, 999.9999 | 0.729167 | 0.733333 | 0.723404 | 0.738636 | ERR | 0.744186 |
| Beginning Stocks | 186 | 190 | 180 | 102 | 180 | 36 |
| Production | 350 | 330 | 340 | 325 | 0 | 320 |
| MY Imports | 425 | 346 | 400 | 350 | 0 | 380 |
| MY Imp. from U.S. | 10 | 16 | 10 | 18 | 0 | 18 |
| MY Imp. from the EC | 7 | 10 | 7 | 10 | 0 | 11 |
| TOTAL SUPPLY | 961 | 866 | 920 | 777 | 180 | 736 |
| MY Exports | 1 | 1 | 1 | 1 | 0 | 1 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 85 | 83 | 85 | 80 | 0 | 80 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Consum | 695 | 680 | 654 | 660 | 0 | 640 |
| TOTAL Dom. Consumption | 780 | 763 | 739 | 740 | 0 | 720 |
| Ending Stocks | 180 | 102 | 180 | 36 | 0 | 15 |
| TOTAL DISTRIBUTION | 961 | 866 | 920 | 777 | 0 | 736 |
| Calendar Year Imports | 324 | 324 | 340 | 341 | 0 | 350 |
| Calendar Yr Imp. U.S. | 17 | 17 | 11 | 17 | 0 | 18 |
| Calendar Year Exports | 1 | 1 | 1 | 1 | 0 | 1 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Fish Oil PS&D Table**

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Japan | | | | | |

| Commodity | Oil, Fish | | | | (1000 MT)(PERCENT) | |
|---|---|---|---|---|---|---|
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Catch For Reduction | 480 | 450 | 470 | 440 | 0 | 430 |
| Extr. Rate, 999.9999 | 0.145833 | 0.166667 | 0.159574 | 0.170455 | ERR | 0.162791 |
| Beginning Stocks | 59 | 60 | 37 | 11 | 15 | 1 |
| Production | 70 | 75 | 75 | 75 | 0 | 70 |
| MY Imports | 50 | 33 | 60 | 50 | 0 | 65 |
| MY Imp. from U.S. | 0 | 19 | 0 | 20 | 0 | 20 |
| MY Imp. from the EC | 0 | 4 | 0 | 5 | 0 | 6 |
| TOTAL SUPPLY | 179 | 168 | 172 | 136 | 15 | 136 |
| MY Exports | 2 | 2 | 2 | 2 | 0 | 2 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 65 | 60 | 65 | 56 | 0 | 55 |
| Food Use Dom. Consump. | 65 | 85 | 75 | 70 | 0 | 70 |
| Feed Waste Dom. Consum | 10 | 10 | 15 | 7 | 0 | 5 |
| TOTAL Dom. Consumption | 140 | 155 | 155 | 133 | 0 | 130 |
| Ending Stocks | 37 | 11 | 15 | 1 | 0 | 4 |
| TOTAL DISTRIBUTION | 179 | 168 | 172 | 136 | 0 | 136 |
| Calendar Year Imports | 70 | 28 | 30 | 26 | 0 | 80 |
| Calendar Yr Imp. U.S. | 7 | 18 | 13 | 13 | 0 | 20 |
| Calendar Year Exports | 2 | 2 | 2 | 2 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Trade Matrix for Fish Meal**

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Japan | | |
| Commodity | Meal, Fish | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 16 | U.S. | 18 |
| Others | | Others | |
| Chile | 183 | | 185 |

| | | | |
|---|---|---|---|
| Peru | 80 | | 90 |
| Total for Others | 263 | | 275 |
| Others not Listed | 67 | | 57 |
| Grand Total | 346 | | 350 |

**Trade Matrix for Fish Oil**

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Japan | | |
| Commodity | Oil, Fish | | |
| Time period | Oct/Sep | Units: | 1000 MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 19 | U.S. | 20 |
| Others | | Others | |
| Peru | 6 | | 8 |
| Total for Others | 6 | | 8 |
| Others not Listed | 8 | | 22 |
| Grand Total | 33 | | 50 |

## SECTION III. NARRATIVE ON SUPPLY AND DEMAND, POLICY & MARKETING

### TOTAL OILSEEDS

#### Production

Soybeans and peanuts are the two major oilseeds produced in Japan. Soybeans occupied about 90 percent of the total planted area for oilseeds in 1999 and peanuts occupied about 9 percent. Despite continuing efforts made by the Ministry of Agriculture, Forestry and Fisheries (MAFF) to divert rice production to alternate crops such as soybeans, the total soybean planted area decreased 0.8 percent in 1999. Despite the reduced acreage, total production increased 18 percent in 1999 due to good weather conditions in major production areas. Peanut production increased as well, up 6 percent due to good weather conditions. As part of a legislated policy to increase the country's self-sufficiency rate for major crops, MAFF has set a production target for soybeans of about 200,000 tons for year 2010.

Table 1. Planted Area and Production of Soybeans and Peanuts in Japan

| | Soybeans | Peanuts |
|---|---|---|

| | Planted Area (Hectares) | Production (MT) | Planted Area (Hectares) | Production (MT) |
|---|---|---|---|---|
| 1997 | 83,200 | 144,600 | 12,400 | 30,400 |
| 1998 | 109,100 | 158,000 | 11,800 | 24,800 |
| 1999 | 108,200 | 187,200 | 11,300 | 26,400 |

Source: MAFF

**Consumption**

Soybeans are the most consumed oilseed in Japan followed by rapeseed. About 78 percent of total demand for soybeans is for oil use; 20 percent is for food use; and the remaining 2 percent is for feed use. Food soybeans are used for tofu (soybean curd), frozen tofu, fried tofu, miso (soybean paste), natto (fermented whole beans), boiled soybeans, and soy sauce. The meal from soybean crushing is used for both animal feedstuffs and further processing into such products as soy protein and soy sauce. Consumption of food soybeans in 1999 is expected to be flat due to continued poor consumer confidence.

Rapeseed is almost exclusively imported for crush consumption. The meal from rapeseed crushing is used for animal feedstuffs and as a fertilizer such as soil conditioner and mulch for tobacco and citrus crops. Rapeseed and soybeans are substitutable oilseeds in the Japanese oil market, and demand depends on their import prices. The main use of cottonseed is for salad oil production.

Peanuts are planted exclusively for human consumption. Only a negligible amount of damaged and shriveled kernels, not suitable for human consumption, is used by the crushing industry. Both domestic and imported peanuts are generally processed--roasted, fried, sugared, etc.--into a variety of snack items. Reflecting poor consumer confidence, consumption is forecast to show a slight decline through MY 2000/2001.

**Crushing Capacity**

As of December 1998, there were 92 domestic oil crushing factories in Japan with a total crushing capacity of 9.1 million metric tons. Actual production of oil was 6.5 million metric tons. The number of crushers has been declining gradually over the years. For example, there were 117 crushing factories in CY 1990.

Table 2. Japan's Oil Crushing Capacity

| CY | Number of Factories | Annual Crushing Capacity (1000 MT) | Actual Annual Production (1000 MT) | Annual Crushing Capacity per Factory (MT) | Actual Annual Production per Factory (MT) | Operation Ratio (percent) |
|---|---|---|---|---|---|---|
| 1996 | 96 | 9.3 | 6.5 | 96,419 | 67,558 | 70.1 |
| 1997 | 95 | 9.2 | 6.7 | 96,799 | 70,054 | 72.4 |
| 1998 | 92 | 9.1 | 6.5 | 98,423 | 70,823 | 72.0 |

Source: MAFF

**Trade**

Due to prolonged weak economic activities in Japan, total oilseed imports are expected to decline slightly throughout MY 2000/2001 (October 2000 - September 2001).

Imports of soybeans from the United States are forecast to decline in MY 1999/2000 due to quality problems of the 1999 crop. In the summer of 1999, the Government of Japan officially announced a mandatory GMO labeling policy on selected foods with implementation to begin April 2001 (see the "Biotechnology" section of this report and GAIN report #JA9154). In reaction to this policy, many food manufactures started seeking non-GMO soybeans from North America and South America with a notable shift already being evidenced in the trade figures. Both Canada and Brazil are reportedly promoting non-GMO soybeans to Japan with Canada's share in volume terms increasing from 2 percent in CY 1998 to 3 percent in CY 1999. Brazil's share grew from 11 percent to 12 percent in CY 1999.

Table 3. Japanese Soybean Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| U.S. | 3,891 | 3,735 | 3,867 |
| Brazil | 559 | 524 | 585 |
| Paraguay | 300 | 231 | 81 |
| China | 166 | 135 | 144 |
| Canada | 90 | 98 | 163 |
| Argentina | 30 | 26 | 26 |
| Others | 21 | 2 | 18 |

| | | | |
|---|---|---|---|
| Total | 5,057 | 4,751 | 4,884 |

Source: Ministry of Finance

Canada continues to be the dominant rapeseed supplier to Japan. After almost quadrupling its exports in CY 1996, Australia has also become a stable supplier, securing about 10 percent of the total rapeseed market in Japan. Rapeseed imports from the EU have been sporadic with both France and Germany suddenly exporting small amounts of rapeseed to Japan in CY 1998.

Table 4. Japanese Rapeseed Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Canada | 1,802 | 1,777 | 1,862 |
| Australia | 244 | 209 | 305 |
| France | 0 | 52 | 24 |
| Germany | 0 | 21 | 0 |
| U.S. | 13 | 19 | 9 |
| Others | 3 | - | 1 |
| Total | 2,062 | 2,078 | 2,201 |

Source: Ministry of Finance

Australia continues to dominate the Japanese cottonseed market. After tripling its exports to Japan in CY 1995 (49,000 metric tons), the United States again became a negligible supplier in recent years. Total cottonseed imports in CY 1999 dropped 8 percent and imports of cottonseed are estimated to remain flat through MY 2000/2001.

Table 5. Japanese Cottonseed Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Australia | 161 | 179 | 168 |
| U.S. | 1 | 1 | 2 |
| Others | 12 | 7 | 2 |
| Total | 174 | 187 | 172 |

Source: Ministry of Finance

China has been a leading supplier of peanuts to Japan with 61 percent market share for raw peanuts and 100 percent market share for processed peanuts in CY 1999. Total peanut imports have been stagnant in recent years reflecting weak consumer demand for snack and confectionary items.

Table 6. Japanese Peanut Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Imports of Raw Peanuts | | | |
| China | 24 | 26 | 27 |
| South Africa | 12 | 11 | 9 |
| U.S. | 4 | 3 | 6 |
| Others | 3 | 2 | 2 |
| Total | 43 | 42 | 44 |
| Imports of Processed Peanuts | | | |
| China | 52 | 51 | 56 |
| Others | 1 | - | - |
| Total | 53 | 51 | 56 |

Source: Ministry of Finance

**Price**

After reaching their highest levels in CY 1997, the CIF import prices of major oilseeds (except raw peanuts) were quickly corrected in CY 1998 and continued declining in CY 1999.

Table 7. CIF Import Price Comparison of Major Oilseeds
(Dollars per MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Soybeans (World) | (346) | (302) | (245) |

| | | | |
|---|---|---|---|
| U.S. | 341 | 300 | 242 |
| Brazil | 334 | 269 | 210 |
| Canada | 448 | 442 | 357 |
| China | 468 | 452 | 388 |
| Rapeseed (World) | (351) | (327) | (279) |
| Canada | 347 | 325 | 278 |
| Australia | 371 | 323 | 285 |
| U.S. | 495 | 331 | 342 |
| Cottonseed (World) | (221) | (210) | (200) |
| Australia | 223 | 209 | 200 |
| U.S. | 231 | 232 | 219 |
| Raw peanuts (World) | (1,030) | (1,058) | (966) |
| China | 1,058 | 1,095 | 942 |
| South Africa | 1,005 | 1,017 | 1,020 |
| U.S. | 1,008 | 1,099 | 1,021 |

Source: Ministry of Finance

**Policy**

Since 1975 MAFF has maintained an emergency soybean stock reserve amounting to 50,000 metric tons. The reserve volume is equivalent to about 5 percent of annual demand for food soybeans. The emergency stocks are kept by 11 private oil crushers.

Japan maintained a quota system on raw peanuts until the end of JFY 1994 with a minimum annual quantity of 75,000 metric tons. However, with the implementation of the Uruguay Round Agreement, the quota system was replaced by a tariff quota system. Under this system, 10 percent of the tariff is

maintained within the 75,000 metric tons of the current minimum access equivalent. The initial tariff equivalent was set at 726 yen per kilogram and will be reduced to 617 yen in the JFY 2000. The tariff on processed peanuts will also be reduced from 25 percent in the JFY 1995 to 21.3 percent in JFY 2000. There are no tariffs on soybean, rapeseed and cotton seed imports.

Table 8. Japan's Tariff on Major Oilseeds

| HS Code | Commodity | Duty JFY 1999 | Duty JFY 2000 |
|---|---|---|---|
| 1201.00-000 | Soybeans | 0 | 0 |
| 1205.00-000 | Rapeseed | 0 | 0 |
| 1207.20-000 | Cottonseed | 0 | 0 |
| 1202.10-010<br>1202.20-010 | Raw peanuts for oil extraction | 0 | 0 |
| 1202.10-091<br>1202.20-091 | Raw Peanuts within TRQ | 10 percent (Primary Tariff Rate) | 10 percent (Primary Tariff Rate) |
| 1202.10-099<br>1202.20-099 | Raw Peanuts outside of TRQ | 635.17 yen/kg (Secondary Tariff Rate) | 617 yen/kg (Secondary Tariff Rate) |
| 2008.11-291<br>2008.11-292<br>2008.11-299 | Processed Peanuts | 21.9 percent | 21.3 percent |

Source: Japan Tariff Association

**Biotechnology**

The Government of Japan (GOJ) had approved 29 GMO products (soybeans, canola, corn, potatoes, cotton and tomato) as of the end of CY 1999. GMO soybeans and canola have been imported into Japan since 1996. Some Japanese consumer groups have expressed strong concerns about the safety of these agricultural products, and the Japanese mass media has been actively raising issues of GMO agricultural products. Reflecting these movements, MAFF decided to introduce mandatory labeling requirements for 23 foods containing genetically modified ingredients, beginning April 1, 2001 (see

GAIN report #JA9154). In addition, the Ministry of Health and Welfare (MHW) Special Food Labeling Subcommittee is also considering mandatory labeling for foods containing genetically modified ingredients. Although no official proposal has been submitted, a final decision is likely to be made sometime this summer.

The two ministries may impose labeling under separate legal authorities. MAFF is authorized to require "quality labeling" under the Japan Agricultural Standards (JAS) law, "in order to protect the economic interests of consumers". Separately, MHW may impose mandatory labeling under the Food Sanitation Law, which authorizes MHW to "establish necessary standards for the labeling of foods from the viewpoint of public health."

### Marketing

More and more Japanese domestic food and alcoholic beverage processors have been voicing intentions to increase their use of non-GMO agricultural products (see GAIN reports #JA9102, #JA9110 ). Continued education about the safety of GMO agricultural products remains strongly needed in Japan. As a result, FAS/Tokyo has been conducting various seminars and round table discussions throughout Japan to educate food processors, importers and consumers on GMO food safety.

## TOTAL OIL MEALS

### Production

Total meal production is forecast to continue its downward trend due to the expected downturn in demand for feed from the livestock sector. Because of the increase in meat imports along with weak consumer confidence, the production of feed for the livestock sector is likely to continue to suffer from stagnant demand.

### Consumption

Soybeans and rapeseed meals are the primary protein ingredients used in compound feed production in Japan. About 90 percent of soybean meal is used for feed production, and the remainder is used for the production of soybean curd, soybean paste and soy sauce. Reflecting stagnant demand for feed from the livestock sector, total meal consumption will likely continue to decline through MY

2000/2001.

Table 9. Utilization of Major Vegetable and Fish Meals
in Compound & Mixed Feed Production
(1,000 MT)

| CY | Soybean Meal | Other Vegetable Meal | Fish Meal | Other Ingredients | Total Ingredients | Percent of Veg. & Fish Meals |
|---|---|---|---|---|---|---|
| 1997 | 3,049 | 1,073 | 297 | 20,503 | 24,922 | 17.7 |
| 1998 | 3,096 | 1,082 | 229 | 20,207 | 24,614 | 17.9 |
| 1999 | 3,110 | 1,050 | 205 | 19,999 | 24,364 | 17.9 |

Source: MAFF

The livestock population has been dropping sharply due to such factors as aging farmers, lack of successors for livestock farmers, and increases in meat imports.

Table 10. Japanese Livestock Population
(1,000 heads)

| | 1997 | 1998 | 1999 |
|---|---|---|---|
| Dairy cows | 1,897 | 1,860 | 1,816 |
| Beef cattle | 2,852 | 2,848 | 2,840 |
| Swine | 9,809 | 9,904 | 9,873 |
| Layers | 183,765 | 182,267 | 179,683 |
| Broilers | 114,314 | 111,659 | 103,942 |

Source: MAFF

**Trade**

Imports of rapeseed meal from Canada, the largest supplier to Japan, showed a drastic decline in CY 1999 from the previous year. On the other hand, fish meal imports slightly recovered in the same year. Total meal imports are expected to decline through MY 2000/2001 due to flat demand for compound feed from the livestock sector.

Table 11. Japanese Soybean and Rapeseed Meal Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Imports of Soybean Meal | | | |
| Brazil | 361 | 393 | 373 |
| India | 180 | 203 | 328 |
| U.S. | 205 | 202 | 168 |
| Others | 57 | 76 | 4 |
| Total | 803 | 874 | 873 |
| Imports of Rapeseed Meal | | | |
| Canada | 86 | 76 | 8 |
| India | 27 | 35 | 8 |
| China | 51 | 8 | 16 |
| U.S. | 3 | - | - |
| Others | 2 | 5 | - |
| Total | 169 | 124 | 32 |
| Imports of Fish Meal | | | |
| Chile | 210 | 182 | 175 |
| Peru | 121 | 36 | 92 |
| Russia | 20 | 17 | 9 |
| U.S. | 14 | 17 | 17 |
| Others | 67 | 72 | 48 |
| Total | 432 | 324 | 341 |

Source: Ministry of Finance

**Price**

After reaching their highest level in CY 1997, wholesale prices for soybean and rapeseed meal dropped sharply in CY 1998 and dropped further in CY 1999 reflecting stagnant demand for compound feed and weak world oilseed prices.

Table 12. Wholesale Prices for Soybean and Rapeseed Meal

| CY | Soybean Meal (Yen/MT) | Rapeseed Meal (Yen/MT) |
|---|---|---|
| 1997 | 49,400 | 31,700 |
| 1998 | 43,200 | 27,300 |
| 1999 | 35,500 | 19,900 |

Source: Japanese feed industry publications.

Due to stagnant world oilseed prices, the CIF import prices for soybean and rapeseed meal also continued dropping in CY 1999.

Table 13. CIF Import Price Comparison of Soybean and Rapeseed Meal
(Dollars per MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Soybeans Meal (World) | (330) | (227) | (180) |
| Brazil | 333 | 205 | 178 |
| India | 317 | 222 | 169 |
| U.S. | 341 | 269 | 206 |
| China | 334 | 277 | 248 |
| Rapeseed Meal (World) | (189) | (156) | (125) |
| Canada | 203 | 163 | 138 |
| India | 160 | 131 | 107 |
| China | 180 | 207 | 127 |
| U.S. | 237 | 1/ | 1/ |

1/ No imports from U.S.
Source: Ministry of Finance

**Policy**

There is no tariff on soybean meal, rapeseed meal, and fish meal.

## TOTAL OILS

**Production**

Except for margarine for institutional use, production of other major processed oil products grew in CY 1999.

Table 14. Production of Major Processed Oil Products in Japan
(MT)

| CY | Margarine for Household Use | Margarine for Institutional Use | Low-fat Spread | Shortening | Refined Edible Oils |
|---|---|---|---|---|---|
| 1997 | 9,674 | 162,619 | 76,168 | 197,205 | 50,636 |
| 1998 | 9,658 | 163,510 | 78,929 | 199,720 | 50,452 |
| 1999 | 9,964 | 162,645 | 79,946 | 200,997 | 51,556 |

Source: MAFF

**Consumption**

Two primary edible oils in Japan are soybean oil and rapeseed oil which are largely consumed as blended oils. Crude palm oil is used for industrial use such as soap production. Refined palm oil is used for production of margarine, shortening, instant noodles, and snacks. Both cottonseed oil and sunflower oil are mainly used for salad oil. Despite an increase in production of major processed oil products, consumption (except for mayonnaise and salad dressing) dropped in CY 1999 due to weak consumer confidence.

Table 15. Average Annual Expenditures for Processed Oil Products
Per Japanese Household

| CY | Margarine | | Edible Oil | | Mayonnaise & Salad Dressing |
|---|---|---|---|---|---|
| | Value (Yen) | Quantity (Gram) | Value (Yen) | Quantity (Gram) | Value (Yen) 1/ |
| 1997 | 1,035 | 1,801 | 3,616 | 9,907 | 2,681 |
| 1998 | 1,015 | 1,763 | 3,560 | 9,354 | 2,736 |
| 1999 | 988 | 1,751 | 3,315 | 9,022 | 2,767 |

1/ Only value is available.
Source: Management and Coordination Agency

**Trade**

Palm and fish oils are the major oils imported into Japan. Malaysia is a leading exporter of palm oil to Japan with 96 percent share in CY 1999. Due to a drastic decline in fish catch in Peru and Chile, fish oil imports from these two countries dropped sharply in CY 1998 and CY 1999. Japan's total oil imports are expected to decline further throughout MY 2000/2001 because of stagnant domestic demand for oil products.

Table 16. Japanese Palm and Fish Oil Imports by Country of Origin
(1,000 MT)

| | CY 1997 | CY 1998 | CY 1999 |
|---|---|---|---|
| Imports of Palm Oil | | | |
| Malaysia | 359 | 347 | 351 |
| Singapore | 5 | 5 | 4 |
| Indonesia | 5 | 5 | 9 |
| Others | 1 | - | 1 |
| Total | 370 | 357 | 365 |
| Imports of Fish Oil | | | |
| Peru | 52 | 3 | 6 |
| Chile | 4 | 1 | 1 |
| U.S. | 7 | 18 | 13 |
| Others | 7 | 8 | 6 |
| Total | 70 | 30 | 26 |

Source: Ministry of Finance

**Policy**

Japan maintains high tariffs on oil as listed below. Oilseeds and its products are subject to the Early Voluntary Liberalization Sector (EVLS) under APEC. However, the GOJ has repeatedly reiterated that any tariff reduction or elimination should be discussed at the forthcoming WTO negotiations.

Table 17. Japan's Tariff on Major Oils

| HS Code | Commodity | Duty JFY 1999 | Duty JFY 2000 |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 1507.10-100 | Soybean oil, crude | 11.92 yen/kg | 10.9 yen/kg |
| 1507.10-200 | Soybean oil, crude, other | 14.45 yen/kg | 13.2 yen/kg |
| 1507.90-000 | Soybean oil, other | 14.45 yen/kg | 13.2 yen/kg |
| 1508.10-100 | Peanut oil, crude | 9.92 yen/kg | 8.5 yen/kg |
| 1508.10-200 | Peanut oil, crude, other | 12.12 yen/kg | 10.4 yen/kg |
| 1508.90-000 | Peanut oil, other | 12.12 yen/kg | 10.4 yen/kg |
| 1509 & 1510 | Olive oil | 0 | 0 |
| 1511.10-000 | Palm oil, crude | 4.1 percent | 3.5 percent |
| 1511.90-010 | Palm stearin | 2.9 percent | 2.5 percent |
| 1511.90-090 | Palm oil, other | 4.1 percent | 3.5 percent |
| 1512.11-110 | Sunflower-seed oil | 9.92 yen/kg | 8.5 yen/kg |
| 1512.11-210 | Safflower oil | 12.12 yen/kg | 8.5 yen/kg |
| 1512.11-120 | Sunflower-seed oil, other | 12.12 yen/kg | 10.4 yen/kg |
| 1512.11-220 | Safflower-seed oil, other | 12.12 yen/kg | 10.4 yen/kg |
| 1514.10-100 | Rapeseed oil, crude | 11.92 yen/kg | 10.9 yen/kg |
| 1514.10-200 | Rapeseed oil, crude, other | 14.45 yen/kg | 13.2 yen/kg |
| 1514.90-000 | Rapeseed oil, other | 14.45 yen/kg | 13.2 yen/kg |
| 1515.60 | Jojoba oil | 1.3 percent | 0 |
| 1504.10 | Fish-liver oil | 3.5 percent | 3.5 percent |

| | | | |
|---|---|---|---|
| 1504.20 | Fats & oil, fish | 7 percent or 4.20 yen/kg, whichever is higher | 7 percent or 4.20 yen/kg, whichever is higher |

Source: Japan Tariff Association